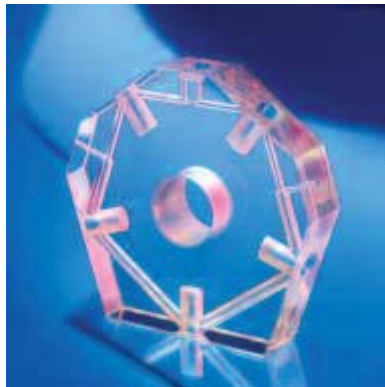


Gooch and Housego PLC

Investor Update, October 2011



Gareth Jones,
Andrew Boteler,

CEO
CFO

2011 Operational Highlights

Results in line with market expectations

Favourable market condition prevailed for first three quarters

Acquisitions contributed to revenue and profit growth and accelerated diversification, significantly enhancing presence in aerospace & defence, life sciences and telecommunications markets.



Anticipated softening in demand in the final quarter confined to certain product sectors and geographic markets.

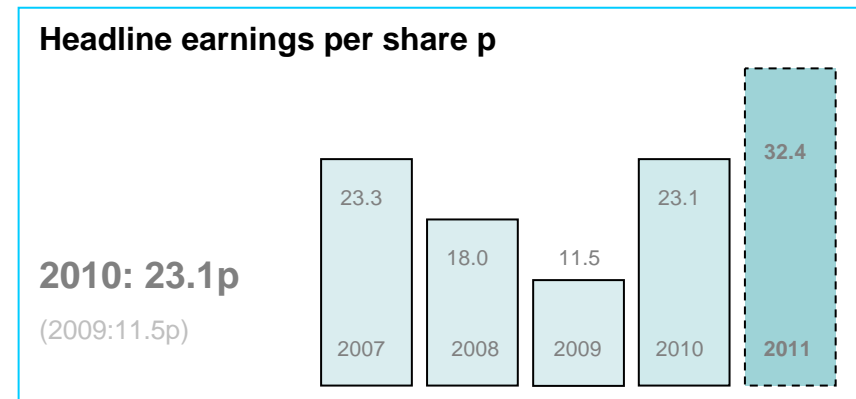
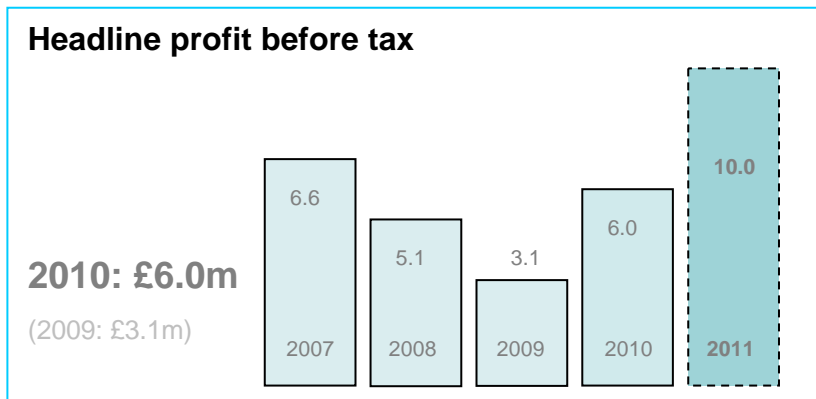
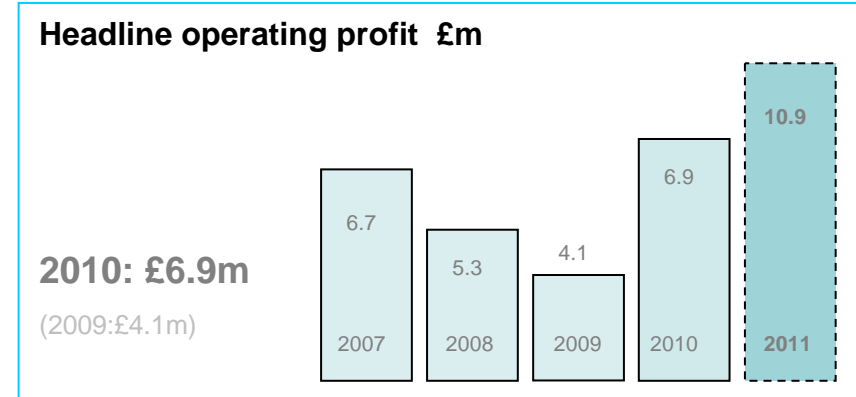
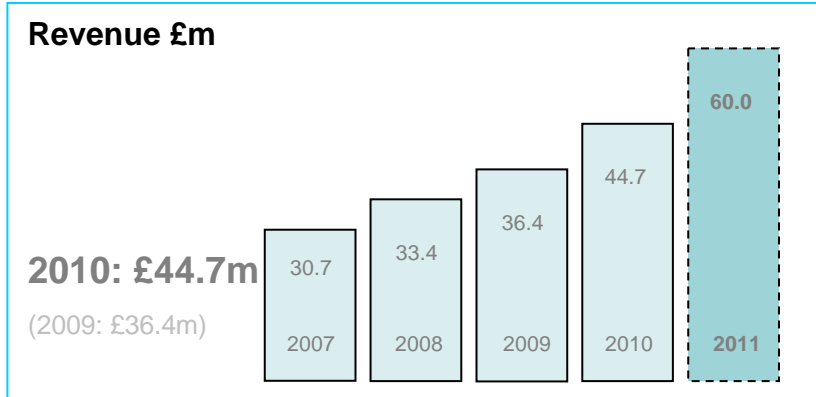
Diversification and growth in new markets has mitigated some effects of slowing demand in other sectors



Financial History & Market Expectations

Historic and market's forecast for full year results

 Historical results
 Market expectations



The term "headline" is used to illustrate the impact of eliminating non-recurring and non trading items on the Groups results. These items are the amortisation of acquired intangible assets, the recognition of deferred tax assets and in 2009, one off costs associated with the Group's restructuring activities and the sale of property.

EM4 – acquired 24 January 2011

Manufacturer of “active” fibre optic components and systems based near Boston, Massachusetts

Aerospace and Defence focus with strong links to US defence primes

Highly complementary to G&H’s “passive” fibre optics activities (Torquay, UK)

Penetration of US market for passive fibre optics currently limited due to ITAR restrictions

Transfer of passive fibre optics technology from Torquay to Boston site will open up US market

Technology transfer is well-advanced - first products expected for qualification testing in early 2012

The result will be a unique end-to-end fibre optics capability for the most demanding applications: -

- Space (satellites)
- Commercial and military aerospace
- Telecommunications
- Life Sciences

In the meantime EM4 has secured contract wins for several strategic defence programs, including.....

Recent \$3+ million contract with large US defence contractor for the first phase of design, development and supply of a complex fibre optic system

Crystal Technology – acquired 31 March 2011

Manufacturer of acousto-optics, electro-optics and grower of optical crystals

Acquisition makes G&H the market leader

Highly complementary products and technology; experienced management; sound infrastructure

Strong performance during first 6 months of G&H ownership

Revenues in all major markets exceeding original plan

Good traction in telecoms and life science markets

Central to integration is the relocation of crystal growth to G&H's Cleveland site

- Creation of a crystal growth “centre of excellence”
- Provides critical mass and economies of scale alongside existing growth operations
- Consolidation in lower cost location

New 30,000 ft² growth facility in Cleveland now complete; first crystals grown

Production will be fully transferred by the end of the calendar year

What next?

Strategy unchanged but moving from “build” phase to “execution” phase

Strategic overview: To outperform the market in the medium term via: -

<i>Differentiation</i>	- excellence and market leadership
<i>Diversification</i>	- to reduce risk and cyclicalty
<i>Penetration of new markets</i>	- Aerospace & Defence + Life Sciences
<i>Moving up the value chain</i>	- components to higher value systems

2007 to 2011
The “build” phase

Four acquisitions, bringing
Technologies, routes to market, management skills.....
Integration and re-branding as a single, global technology business
Scale – revenues approaching \$100m, 600 people, global presence

With world-class products, capabilities and people Gooch & Housego now has the tools it needs

2012 onwards
The “execution” phase

Integration of recent acquisitions
Exploitation of opportunities in new markets
Consolidation – management and infrastructure
Strategic themes - organic growth and innovation

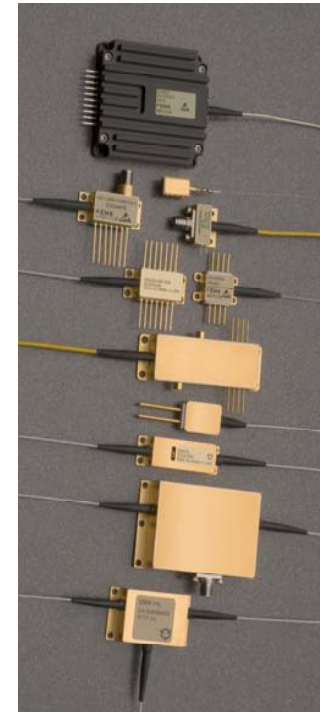
Outlook and Objectives for 2012

Gooch & Housego is now well-positioned to exploit its target markets

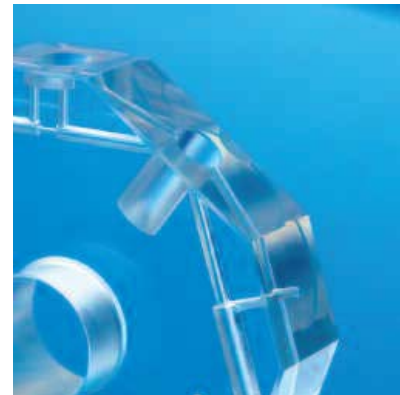
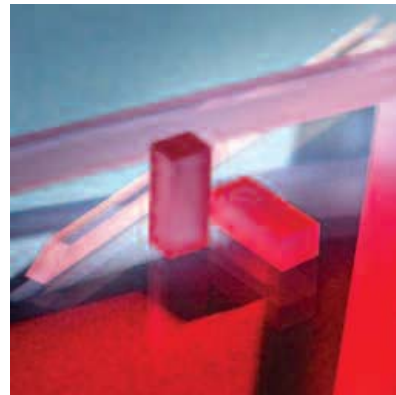
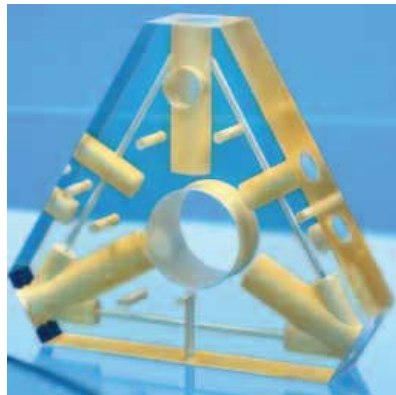
Economic climate will present challenges

Integration of new acquisitions continues to be top priority

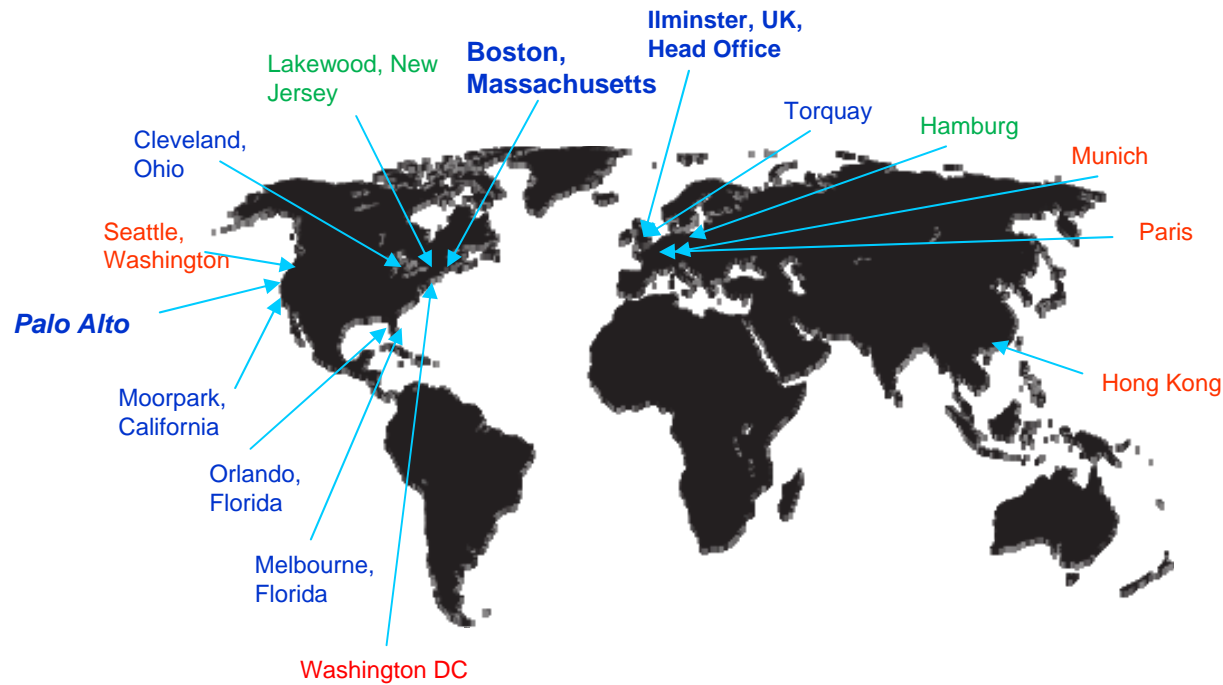
Organic growth likely to dominate in 2012



Appendices



A Global Business



Headcount: 593

Global locations

- 8 manufacturing facilities (6 US, 2 UK)
- 2 R&D centres
- 5 Sales Offices

Geographical revenues:

	H1 2011	FY 2010
US	42%	50%
Asia Pacific	23%	20%
Europe	35%	30%

85% of sales outside the UK

Revenue by currency:

USD	65%
GBP	27%
Euro	8%

Market Overview

*In recent years G&H has successfully pursued a strategy of diversification, aimed at adding new **large** and **high-growth** markets whilst retaining a dominant position in its traditional industrial laser sector.*

G&H is a niche provider of low volume, high value optoelectronic materials, components & systems

Our strategy is to be the leading or dominant player in the markets in which we operate

Market Sector: *Industrial*

Applications: *Semiconductor & microelectronics
General manufacturing using lasers e.g. automotive, consumer goods ...
Telecommunications*

Market Sector: *Scientific research*

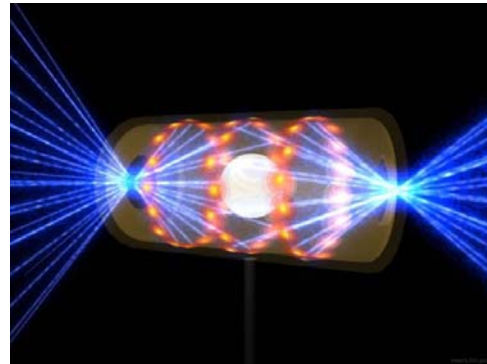
Applications: *Government funded 'big science' projects (NIF, synchrotron etc.)
Universities*

Market Sector: *Biomedical & Life Sciences*

Applications: *Surgery
Diagnostics
Pathology*

Market Sector: *Aerospace & Defence*

Applications: *Civil and military aerospace
Space
Sensors for security and surveillance
Countermeasures*



A leader in Photonics

A unique portfolio of world-class products

- Ultra Precision Optical components
- Optical coatings – capable of operating in the worlds most powerful laser systems
- Fibre optics – for the aerospace, biomedical, laser and telecoms applications
- Acousto optics – for laser switching, sensors and imaging
- Electro optics – for laser switching
- Optical crystals – for acousto optic, electro optic and non linear optical applications
- Light measurement instrumentation – radiometric and spectroscopic instruments
- Hyperspectral imaging systems – for biomedical, industrial and defence applications

....and the ability to integrate components into sub-assemblies and systems



SHAREHOLDER	HOLDING AS AT 15/09/2011	% HOLDING
BlackRock Investment Management	3,259,549	14.92%
Gooch & Virgin Family Holding	2,647,869	12.12%
Standard Life Investments	2,183,238	9.99%
Investec Wealth & Investment	847,204	3.88%
Scottish Widows	761,254	3.48
Total of shareholdings over 3%	9,699,114	44.39%
Other holdings	12,151,684	55.61%
Total Share capital	21,850,798	

US\$ acquisition loan

Principal \$18.0m

Term – four year term commencing 31 March 2011

Repayable by :

Eight half yearly instalments of \$2.25m

Interest rate margin of between 2.25% and 3.00% over LIBOR

Interest rate margin ratchet based on leverage ratio

\$18m fully drawn as at 31 March 2011

Working capital facility

Total facility available \$8m

Term - committed for 4 years

Interest rate margin of between 2.25% and 3.00% over LIBOR

Interest rate margin ratchet based on leverage ratio

Currently \$4m drawn down

CAPEX Facility

Total facility available \$8m

Term - committed for 4 years

Interest rate margin of between 2.25% and 3.00% over LIBOR

Interest rate margin ratchet based on leverage ratio

Currently not drawn

Sterling acquisition loan

Principal £3.1m

Term - four year term commencing 31 March 2011

Repayable by :

Seven half yearly instalments of £221k

Final instalment of £1.55m

Interest rate margin of between 2.25% and 3.00% over LIBOR

Interest rate margin ratchet based on leverage ratio

£3.1m fully drawn as at 31 March 2011

Banking covenants

Tested under the following conditions :

- Adjusted net cash flow to total borrowings paid
- Adjusted net debt to EBITDA
- EBITA to borrowing costs
- Capital expenditure

Reported under covenant since January 2009 and have been in compliance.

Appropriate headroom to operate within covenants